

FISCAL NOTE

Bill #: HB0492

Title: Revise and clarify funding for cultural and aesthetic projects

Primary Sponsor: Hedges, D

Status: As Amended in House Committee

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund - MAC	(\$327,430)	(\$342,821)
State Special Revenue -MAC	\$327,430	\$342,821
Revenue:		
State Special Revenue		
Cultural & Aesthetic Acct – MAC	\$327,430	\$342,821
Commerce - Statewide Promotion	(\$327,430)	(\$342,821)
Net Impact on General Fund Balance:	\$327,430	\$342,821

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|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact
<input type="checkbox"/> Included in the Executive Budget
<input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Significant Long-Term Impacts
<input checked="" type="checkbox"/> Needs to be included in HB 2 |
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Fiscal Analysis

ASSUMPTIONS:

1. The bill allocates 2.65 percent of revenue not earmarked for tax administration costs, reimbursement to state agencies for tax paid on employee travel and the heritage and preservation account to the cultural and aesthetic projects account.
 - a. The Montana Arts Council (MAC) may use up to 22 percent of the funds for MAC Programs and the balance must be used for grants (HB 9).
 - b. MAC general fund budget, after the Education Subcommittee action, is set at the FY 2000 level. The amount is \$40,640 below the Governor's recommendation.
2. The bill reduces the allocation to the Department of Commerce (DOC) for statewide tourism promotion from 67.5 percent to 64.85 percent of revenue not earmarked for other purposes.
3. The bill would not have significant administrative impacts on the Department of Revenue.
4. The following table shows the allocation of accommodations tax for fiscal years 2004 and 2005 under current law, the allocation with this bill, and the differences.

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Accommodations Tax Revenue and Allocation						
	Current Law		HB492		Difference	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005
Revenue	\$ 13,005,000	\$ 13,595,000	\$ 13,005,000	\$ 13,595,000	\$ -	\$ -
DOR Administration Cost	137,254	141,371	137,254	141,371	-	-
State Agency Reimbursement						
General Fund	42,520	44,449	42,520	44,449	-	-
State Special Revenue	53,709	56,146	53,709	56,146	-	-
Federal Special Revenue	2,238	2,339	2,238	2,339	-	-
Other Funds	13,427	14,037	13,427	14,037	-	-
Heritage Preservation	400,000	400,000	400,000	400,000	-	-
General Fund	-	-	-	-	-	-
Historical Markers & Sites	123,559	129,367	123,559	129,367	-	-
Tourism Research	308,896	323,416	308,896	323,416	-	-
Parks Maintenance	803,130	840,883	803,130	840,883	-	-
Cultural & Aesthetic Projects	-	-	327,430	342,821	327,430	342,821
Statewide Tourism Promotion	8,340,200	8,732,244	8,012,770	8,389,423	(327,430)	(342,821)
Regional & Local Promotion	2,780,067	2,910,748	2,780,067	2,910,748	-	-

FISCAL IMPACT:

Montana Arts Council

Expenditures

Grants – HB 2 (Ex Bud. -MAC Programs – 22%) GF	FY 2004 Difference (\$72,034)	FY 2005 Difference (\$75,421)
Grants – HB 2 (MAC Programs – 22%) SSR	\$72,034	\$75,421

Grants – HB 9 (C & A Grants – 88%) General Fund	FY 2004 Difference (\$255,396)	FY 2005 Difference (\$267,400)
Grants – HB 9 (C & A Grants – 88%) SSR	\$255,396	\$267,400

Funding of Expenditures

General Fund (01)	FY 2004 Difference (\$327,430)	FY 2005 Difference (\$342,821)
State Special Revenue (02)	\$327,430	\$342,821

Department of Commerce

Expenditures

Grants	FY 2004 Difference (\$327,430)	FY 2005 Difference (\$342,821)
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Funding of Expenditures

State Special Revenue (02)	FY 2004 Difference (\$327,430)	FY 2005 Difference (\$342,821)
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	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Revenues:</u>		
General Fund (01)	\$0	\$0
State Special Revenue (02)		
Cultural & Aesthetic Acct	\$327,430	\$342,821
DOC Statewide Promotion	(\$327,430)	(\$342,821)
 <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$327,430	\$342,821
State Special Revenue (02)		
Cultural & Aesthetic Acct	0	0
DOC Statewide Promotion	0	0

TECHNICAL NOTE:

1. DOC has stated that if HB 492 is enacted, the department would eliminate its Local Tourism Infrastructure Investment Program Grants (TIIF) and the Special Events Grants Program because of the reduction in available revenue. However, the growth in the bed tax to the DOC appears to offset their reduction in this bill.